



STATE OF MICHIGAN

RICK SNYDER
GOVERNOR

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

KEVIN ELSENHEIMER
EXECUTIVE DIRECTOR

NOTICE TO OWNERS - Annual PBV Contract Rent Adjustment Request

If the owner/management company seeks a contract rent adjustment for the PBV units within the HAP contract a request must be submitted **no later than 90 days prior to the HAP contract anniversary date of the development**. The anniversary date is the effective month of the HAP contract example: December 15, 2008 – anniversary date would be December 1st of each year. **Note:** the MSHDA's Asset Management (AM) Division's annual approval of the development's rent schedule is not an approval for the HUD/PIH Section 8 PBV units within a development.

When submitting a request the following information **must** be provided; incomplete packages will not be processed.

- Owner/Management cover letter to include: Current PBV rents and proposed PBV rents by unit type and size, with the contact person's phone number and email address.
- Three comparable unit rents for each unit type and size: these rents must be comparable market units. (LIHTC cannot be used as comparables). Use the MSHDA Reasonable Rent Test form – MSHDA 37 or the Rent Comparable tool located on the Michigan Housing Locator at <http://www.michiganhousinglocator.com/>.
- Current LIHTC rent charged for other like units within the development and the placed in service date. A copy of property rent role must be submitted.
- All funding sources must be disclosed, such as: NSP and HOME funding. If the PBV units have HOME funding, identify if the units are High or Low HOME units. If the project has federal subsidy identify the source. (S.236, S.515, S.221(d)(3) or other federal subsidy.
- All units must meet HQS Standards; there cannot be active abatements.

Send complete packages to: MSHDA, P.O. Box 30044, Lansing, MI 48909 ATTN: Kathy French or Lisa Kemmis.

Please note the outcome of the contract rent adjustment review could result in an increase or a decrease, based on comparable market rate units within the area. Rent reasonableness must always be conducted; therefore, it is strongly recommended that the owner/management conduct a review prior to the submission to support an increase vs. a decrease in contract rents.

This notice and the MSHDA 37 form can be found on the MSHDA PBV website at http://www.michigan.gov/mshda/0,4641,7-141-5555_60730---,00.html . If you have any questions regarding this process, please contact Kathy French at 517-241-0505, frenchk@michigan.gov or Lisa Kemmis at 517-241-2427, kemmisl@michigan.gov .

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